

Editor's notes

Welcome to the first issue of **dlgnnews**! With the aim of sharing state of the art information on decentralization and local governance at regular basis, **dlgnnews** will publish several times a year, news, resources, best practices and links to publications and events on the topic of decentralization and local governance. This Newsmail is addressed to the members of **dlgn**; however we hope that it is useful also for external partners and friends in the different countries. Thus, do not hesitate to share it with anyone you think will find this newsmail useful. English is the "lingua franca" of **dlgnnews**: of course, members of the network have different language backgrounds, but we will use English to communicate among ourselves, even if English is not our mother tongue.

With this first issue we are happy to share with you that our network has grown steadily since its creation in 2009. Currently, **dlgn** has 122 registered members spread over 36 countries around the world. Around 39% of the members work at SDC's Coordination Offices (CoOfs), 19% work at SDC Head Quarters (HQ); 23% are SDC partners in the field and 19% are SDC partners at HQ: programme implementing organisations, competence centers, and consultants. If you want to know more about the characteristics of our Network please refer to the following link in our Shareweb: http://www.sdc-decentralization.net/en/Home/Community_Affairs (use our login and password).

In this issue, we want to launch the debate on development effectiveness and support to decentralization reforms. We hope that the short article leads to further reflection and discussion among **dlgn** members on the role and impact of decentralization reforms in developing and in transition countries, in particular in view of the general aid effectiveness debate, which will culminate in the Fourth High Level Forum on Aid Effectiveness in Busan, Korea next fall.

Apart from this contribution to the thematic debate, this issue presents updates on what is going on in the network: news on the **dlgn** face-to-face workshop to be held in Sarajevo in March 2011; the preparation of the first e-discussion of the Learning Project on Sustainable Municipal Finances; an update on the Council Meeting and Democracy Forum of IDEA in Accra; as well as, a short summary of the SDC Cross Roads of Knowledge on Decentralization that was held in Bern on December 2010. Finally, this newsmail closes its first issue by sharing the experience of LoGIn, our member network in South Asia.

We hope that you enjoy this first issue and that it provides you with the information and links you are looking for.

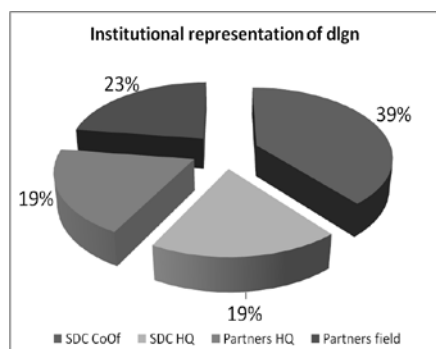
Warm regards,

Kuno Schläfli,

Focal Point DLG, Western Balkans Division SDC

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What should be SDC's position and perspective on this debate? Please send us your comments, opinion and insights.

Does decentralization impact development?

Since the 1980s, a wave of democratization was sweeping across the developing world. Discontent with highly centralized, unresponsive and often dysfunctional central states suggested that pushing greater roles and responsibility to sub-national governments would help strengthen governance, improve services, promote growth, and reduce poverty. Today, more than 90% of all democratically ruled developing countries have elected local authorities. In many countries, SDC has been engaged in supporting the structuring of local governance long before local elections took place. Structures to manage local infrastructure were constituted via democratic processes. Accountability mechanisms were introduced to avoid corruption, and inclusive participation of all stakeholders was a principle considered essential to ensure the sustainability and responsiveness of service delivery.

Yet it seems that the "decentralization wave" has lost significant momentum, donor agencies are facing increasing pressure to demonstrate the impact of decentralization initiatives on development, i.e. on poverty eradication and on the achievement of the MDGs. However, it has been proved to be difficult to show a clear causal relationship between decentralization as a major state reform and development achievements in the short term. Thus, such pressure might undermine the efforts to push forward complex and transversal institutional reforms and risks encouraging development agencies to reinforce sectoral top down approaches.

The Development Partners Working Group on Decentralization and Local Governance (DPWG-DLG), grouping 23 major development agencies, has decided to contribute with a thematic input to this debate at the conference on aid effectiveness in Busan, Korea, this coming autumn. Switzerland is engaged in this working group as one of four "hosts" for the next annual meeting in May in Brussels. We would like to receive feedback from you regarding our position on this issue as SDC.

You find a first draft of an input paper situating the position of the DPWG-DLG on aid effectiveness for the Korea conference: Motivating preface 221210: http://www.sdc-decentralization.net/en/Home/CommunityAffairs/Community_Activities/dlgnews

Please send your comments to Kuno Schläfli (kuno.schlaefli@deza.admin.ch).

Further readings on the topic

- Jutting, J.; Kauffmann, C.; McDonnell, I.; Osterrieder, H.; Pinaud, N.; Wegner, L. (2004), Decentralisation and Poverty in Developing Countries: Exploring the Impact. OECD Development Centre, Paris (Working Paper No. 236), <http://www.oecd.org/dataoecd/40/19/33648213.pdf>.
- Susan Steiner (2005): Decentralisation and Poverty Reduction: A Conceptual Framework for the Economic Impact; GIGA Working paper No. 5, http://repec.giga-hamburg.de/pdf/giga_05_wp03_steiner.pdf
- Zoë Scott (2009), Decentralization, Local Development and Social Cohesion: An Analytical Review, GSDRC report to the European Commission, Governance and Social Development Resource Centre, University of Birmingham, UK, <http://www.gsdr.org/docs/open/PO60.pdf>

Network News

F2F in March 2011, in Sarajevo

With a view of working face-to-face (F2F), the second **dlgn** F2F meeting will take place between the 7th and 11th of March 2011 in Sarajevo. So far, 73 people have registered to participate. We are looking forward to this event, since it will provide an opportunity to meet and know each other better, to network and to exchange about the first results of the Learning Projects - as you know, four Learning Projects (LPs) have been launched in the past months and many of you are engaging actively with them. We are certain that this event will strengthen our network and will give us further orientation for our common work in the future. We have had the unique chance to combine our F2F event with the annual conference of the Network of Associations of Local Authorities of South-East Europe NALAS (<http://www.nalas.eu>) and to intertwine the programmes during the week. NALAS is a year long partner of SDC in the Balkans and has developed a respected policy formulation capacity applied in the interest of its 15 member-associations, representing 80 million voters in South East Europe. This event will provide opportunities to learn about the interesting experiences and challenges faced by the local authorities in the Western Balkans. If you want to have more information about the F2F, please contact Annick Vuilleumier (annick.vuilleumier@deza.admin.ch) or go to the link: http://www.sdc-decentralization.net/en/Home/Community_Affairs

Do you have news or information to share in the next dlgnnews issue?

If so, do not hesitate to write us!

E-discussion: learning project on sustainable municipal finances

Members of the Learning Project on Donor Support to Sustainable Municipal Finance will launch an e-discussion on the initial results of the Learning Project in preparation of the F2F Meeting in Sarajevo. The topics of the discussion will be the emerging trends in donor support to sustainable municipal finances: own revenues and donor grants; fiscal transfer and borrowing, and building of capacities. The topics will be discussed one after the other during the three weeks of the e-discussion, which will take place from the 14 of February until the 4th of March, 2011. All **dlgn** members are encouraged to participate. The main conclusions of the discussion will be shared during the F2F in Sarajevo. For more information, please contact Matthias Boss (boss@kek.ch) or Bertha Camacho (bertha.camacho@skat.ch).

Council Meeting and Democracy Forum of the international Institute for Democracy and Electoral Assistance IDEA held in Accra.

On invitation of the Government of Ghana, the annual Council Meeting of International IDEA (<http://www.idea.int/>) took place from 30 November to 1 December 2010 in Accra. The meeting was preceded by the Democracy Forum on "Elections, Incumbency and Power: Legitimacy through Integrity", a topic of particular interest in the light of the events in the neighbouring Ivory Coast http://www.idea.int/news/editorial_dec10.cfm.

SDC contributes to the programme of IDEA with one Mio CHF/annually, and the Focal Point for DLG represents SDC in the Council of IDEA. The debate in Accra has demonstrated the big synergy potential for SDC to collaborate with Int. IDEA on stimulating democratic debate on local levels, in particular in coordination with local governance support programmes. IDEA is working on tools, standards and benchmark indicators on local democracy assessment and political party support.

Another topic for interesting synergies is constitution building. SDC is financing an interesting project on constitution building in Bosnia & Herzegovina which has recently been evaluated by Andreas Gross, member of the Swiss Parliament, member of the Council of Europe, and member of IDEA's board of advisors. This programme builds on initiating constitutional debates in municipalities, which are partners in SDC's local governance projects. The Political Division IV of the FDFA is also cooperating with IDEA on the development of a "comprehensive instrument for the prevention, management and mitigation of election-related conflict and violence".

Evaluating Democracy Support

This book is based on the proceedings of a workshop on Methods and Experiences of Evaluating Democracy Support, organized by the International Institute for Democracy and Electoral Assistance (International IDEA) and the Swedish International Development Cooperation Agency (SIDA), and held in April 2006. For reading the document go to the following link: http://www.sdc-decentralization.net/en/Home/Community_Affairs/Community_Activities/dlgnews

Crossroads of Knowledge on decentralization

Last December, at the eleventh meeting in the framework of the knowledge sharing between former and new SDC staff called Crossroads of Knowledge, Benoît Girardin and Philippe de Rham reflected on the contributions of development cooperation to the adaptation of political systems and in particular to decentralization. The presentation material and the papers, as well as information about the speakers' experience within and outside SDC can be found in French in the following link: http://www.sdc-decentralization.net/en/Home/Community_Affairs/Community_Activities/dlgnews

The experience of dlgn members – LoGIn

The Local Governance Initiative South Asia (LoGIn) is a project of SDC that links all the Cooperation Offices in South Asia (Bangladesh, Nepal, Pakistan, Afghanistan, Sri Lanka and India). It has the aim to encourage knowledge sharing and exchange among each other and their partners in the field of local governance and decentralization. LoGIn is coordinated by the so-called "hub", located within the CoOf New Delhi. The first phase of this project became functional in the second quarter of 2009 and will continue until mid 2012.

The Project fosters the promotion of knowledge and experiences exchange on relevant decentralisation issues in South Asia, as well as **the capitalization of experience on decentralization and local governance supported in the region**. Additionally, it encourages knowledge exchange between South Asia and Switzerland. After its first face-to-face meeting in India in 2009, LoGIn has built stronger ties among its members and it has become an active member of **dlgn**. Further information about the activities of LoGIn, its newsletter and documentation are available in the following link: http://www.sdc-decentralization.net/en/Home/Community_Affairs/Regions/South_Asia/Wiki_South_Asia

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